



MCP Wealth Management Pty Ltd

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Super Shortfall for Women: Take Control with Some Simple Steps

It may not be the super system itself that is unfair to women, but rather that it doesn't extend to "unpaid" or temporary/casual work, including domestic work mostly undertaken by women, or seek to cover those in less formal working roles. Whatever the cause, a disparity exists: A recent 2017 survey by HILDA (Household, Income and Labour Dynamics in Australia) found that women retire with an average super balance of \$230,907 compared to men, who, on average, retire with double this amount. One in three women is heading towards retirement with no super, or a very small fund.

There are a number of factors that contribute to this shortfall, notably the gender pay gap, and the reality that women are far more likely to spend time out of work in comparison to men, to work part-time, to bring up children, or to care for elderly or sick relatives. The universal Superannuation Guarantee (SG) system was conceived 25 years ago, based on income from full-time, dependable employment.

In addition to this women tend to live longer than men, meaning that planning and looking after their super is essential.

Are you a woman aware of a shortfall in your super? Have you reviewed your super recently? If so now might be a good time to look at some practical strategies to boost your super, whatever your age.

Come in and see Mario, our financial advisor, for a discussion about the best returns and investment strategies going forward.





accounting. financial planning. lending.

Personal Finance

When it comes to personal finances and ways to build your wealth it seems that everyone has an opinion – and a preferred pathway for wealth accrual. From your mate who likes to share his stock market tips to your friend at work who has a constant stream of ‘get rich quick’ schemes. The truth is there is no one-size-fits-all approach to generating wealth and setting yourself up for the future. Everyone has different objectives, preferences and levels of comfort.

When deciding on your own financial path, there are a few things that you need to consider.

Your preferred lifestyle

This is really about understanding what you value in life and what’s going to make your existence meaningful. Success means different things for different people. For some, it’s a big house, two cars in the garage and lots of space to entertain. For others, it’s being able to take an overseas trip once a year. You don’t have to fit into anyone else’s idea of an ideal situation. You just need to work out the lifestyle you want and to set financial goals that allow you to lead it.

Stage of life

It’s also worth taking stock of what stage of life you’re in. You may be just at the start of your career and beginning to build your wealth, thinking of starting a family and saving for a home deposit or setting your sights on retirement and trying to maximise your nest egg.. No matter where you’re at, it’s important to have a plan that enables you to meet your immediate needs as well as work towards your long-term goals.

Focus on your goals and objectives

When it comes to goal setting the important thing is to make them precise and achievable. If goals have tangible outcomes they are easier to measure and reward. Rather than just hoping to ‘build your wealth’, set something concrete like ‘own my home outright within ten years’, or more immediately, ‘set aside enough to take the kids to the beach for the summer’. Again, keep in mind that everyone is different and your goals won’t necessarily mirror those of your peers or colleagues.

Comfort with risk

Once you’ve set your goals, you need a plan of action. Incremental, actionable steps you can take to make your dreams a reality. An essential part of making a plan is understanding your comfort with risk. There are a lot of factors determining your risk tolerance: your own life experiences, the amount of time you have set to meet specific goals, your ability to cope with market volatility etc. In general, diversifying your portfolio helps mitigate risk (it’s seldom a good idea to have all your eggs in one basket), but the most important thing is having an informed risk strategy that works for you and doesn’t keep you up at night.

It’s good to have a partner to work with you on the journey to help you find and stay on your financial path. Talk to us today about how we can help.